Remarks

The present response is to the Office Action mailed in the above-referenced case on May 30, 2008. Claims 1- 13 and 15-22 are standing for examination.

Response to Arguments

The Examiner has kindly responded to applicant's previously submitted arguments. Applicant herein amends the claims to more accurately recite the subject matter deemed patentable by applicant. Therefore, applicant will not respond to the "Response to Arguments" section.

Claim Objections

4. Claims 17-22 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. The objected claims are directed to a method, although the parent claim 1 is directed to an apparatus. Examiner respectfully suggests that all these objections may be overcome by amending claim 17 to be dependent on method claim 16 rather than apparatus claim 1.

Applicant's response

Applicant herein amends claim 17, as suggested by the Examiner.

Claim Rejections - 35 USC § 112

6. Claims 1-13, 15, and 17-22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 1 recites "a card reader plugged into a microphone input of the PC sound card" and "a smart card transmitting an identification

sequence to the microphone input of the PC in the form of a modulated signal"; however, it is unclear if the former card reader is involved in the latter transmission step, or if the smart card may somehow bypass the card reader and transmit directly to the microphone input (such as with a cable that connects directly to two audio ports – see the "How to record music... "reference from the Office Action of 5/15/07). Examiner respectfully suggests that Applicant may wish to amend the latter limitation of claim 1 so as to resemble the equivalent limitation of claim 16 wherein the transmission occurs via the card reader, or alternatively point out where in the specification that the smart card may bypass the card reader. Claims 2-13, 15, and 17-22 are rejected by virtue of their dependency on claim 1.

Applicant's response

Applicant herein amends independent claims 1 and 16 to recite a "connector" instead of a card reader, as taught in applicant's specification. Therefore, the claims are more accurate to the specification and the 112 rejection should be withdrawn.

Merit Rejection under 35 U.S.C. 102(e)

Claims 1-11, 13, and 15-22 are rejected under 35 U.S.C. 102(e) as being anticipated by Atsmon et al. (U.S. Patent 6,607,136).

Examiner's rejection

Regarding claim 1:

Atsmon discloses an apparatus for securing online transactions on the Internet comprising: a card reader plugged into the microphone input of the PC sound card (col. 3, lines 45-63; col. 31, lines 30-60; Figure 11); a smart card transmitting an identification sequence to the microphone input of the PC in the form of a modulated signal (element 10 of Figure 1; col. 31, lines 29-55; modulated signals at col. 11, lines 1-3 and col. 31, lines 10-15); and a PC applet demodulating the identification sequence, and characterized

by the absence of processing means within the card reader (col. 32, lines 25-50 and 64-67).

Regarding claim 16:

Atsmon discloses a method for securing online transactions on the Internet comprising: providing a smart card for transmitting an identification sequence from the smart card to a PC in the form of a modulated signal (element 10 of Figure 1; col. 31, lines 29-55; col. 11, lines 1-3); plugging a card reader into the microphone input of the PC sound card the card reader devoid of processing means (the microphone: col. 3, lines 45-63; element 112 of Figure 11); transmitting the modulated signal directly from the smart card to the microphone input via the card reader (Ibid; col. 8, lines 3-8; col. 32, lines 38-42); and demodulating the identification sequence by a PC applet (col. 32, lines 25- 50 and 64-67; See also paragraph #3 above).

Applicant's response

Applicant herein amends independent claims 1 and 16 to more accurately recite a "connector" rather than a card reader. Claim 1, as amended, is reproduced below:

1. (Currently amended) An apparatus to provide security for online transactions comprising:

a smart card transmitting an identification sequence, as a modulated voltage signal in a frequency range and voltage amplitude compatible with a microphone input of a personal computer (PC) sound card;

a connector connecting an output of the smart card transmission to the microphone input of the PC sound card; and

a PC applet, executed by the PC, demodulating the identification sequence.

Because the smart card is capable of outputting a modulated voltage signal in a frequency range and voltage amplitude compatible with a microphone input of a personal computer, no other signal transforming device or method is required. Therefore there is no need for a card reader.

The Examiner states that, "Furthermore, the very purpose of the microphone in the Atsmon invention is precisely to read the signals being emitted from the smart card and relay them to the computer for subsequent processing by components other than the microphone itself (Ibid, and col. 32, lines 35-50). Accordingly, the microphone as employed by Atsmon is a "card reader" …". Applicant argues that because the smart card in Atsmon fails to transmit signals as a modulated voltage signal in a frequency range and voltage amplitude compatible with and directly to a microphone input of a PC sound card, a microphone is required which deals with sound waves. The microphone is, as the examiner alleges, a card reader, reading the Atsmon card output, and <u>changing the sound waves produced by the Atsmon card into a modulated voltage signal</u>.

As previously pointed out by applicant, the main difference applicant's invention and that of Atsmon is that applicant's invention does not need to generate "sound", or "acoustic waves" to accomplish the invention. Applicant teaches the use of the modulation from the smart card to communicate directly with the soundcard, bypassing the Atsmon acoustic mode. Atsmon's method clearly needs a microphone as it is clearly taught in column 8, beginning at line 46 which reads; "Of course, each of those infrastructure electronic devices must have corresponding microphones to receive sound waves (e.g. microphone 14c for computer 14)." Atsmon also teaches the use of a transducer to generate sound waves (Col. 8, line 53).

Therefore, Atsmon fails to teach all of applicant's claim limitations of the independent claims, as amended. Applicant believes apparatus claim 1 and method claim 16 are patentable over the art of Atsmon. Dependent claims 2-13, 15, and 17-22 are patentable on their own merits, or at least as depended from a patentable claim.

As all of the claims are clearly patentable over the art of Atsmon, applicant respectfully requests re-consideration, and that the case be passed quickly to issue. If there are any extensions of time required, such extensions are hereby requested. If there are any fees due, authorization is given to deduct the fees from deposit account 50-0534.

Respectfully Submitted,
Vincent Cedric Colnot

By *[Donald R. Boys]*
Donald R. Boys
Reg. No. 35,074

Central Coast Patent Agency, Inc.
3 Hangar Way, Suite D
Watsonville, CA 95076
831-768-1755